

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6799

BILL NUMBER: HB 1123

NOTE PREPARED: Dec 31, 2009

BILL AMENDED:

SUBJECT: Ambulance service territories.

FIRST AUTHOR: Rep. Riecken

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill authorizes the legislative bodies of at least two contiguous units to establish an ambulance service territory in the same manner as a fire protection territory is established. The bill amends the fire protection territory statutes to provide an ambulance service territory with the same powers and duties for emergency ambulance services or emergency medical services that a fire protection territory has for fire protection services.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under this bill, the legislative bodies of at least two contiguous taxing units may establish an ambulance service territory (AST). All units involved in the AST would be participating units, one of which would be the provider unit. During the first three years of the territory's existence, the participating units would each impose a property tax levy to support the AST. After three years, the provider unit would impose a levy and tax rate upon all of the property in the AST and the other participating units' levies for emergency ambulance services or emergency medical services would be eliminated.

New participating units would submit their first-year proposed budget, levy, and tax rate for the AST to the

Department of Local Government Finance (DLGF). The DLGF would make a final determination regarding the territory's initial levy while considering the territory's obligation to meet emergency ambulance services or emergency medical services expenses and an operating balance of up to 20% of budget.

The initial levy set by the DLGF is the basis for future levy growth under the income-based assessed value growth quotient (AVGQ) growth limits, except that the DLGF may reduce the base by all or a part of the initial levy that was used to establish an operating balance.

In addition, ASTs would also have authority to impose a tax rate of up to \$0.0333 per \$100 AV for an equipment replacement fund.

If levies for ASTs are greater under this bill than the participating unit levies under current law, then tax rates and tax bills will rise for all taxpayers in the covered areas. If these territories exist in areas where the property tax circuit breaker caps may be triggered, then the property tax collections losses could increase for the ASTs and other taxing units in the area.

Conversely, if the DLGF sets levies for new ASTs lower than the levies allowed under current law, then tax rates and tax bills could be reduced and circuit breaker losses, if applicable, could decrease.

State Agencies Affected:

Local Agencies Affected: Ambulance service territories; Local civil taxing units and school corporations.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.